

REPORT OF THE CONFERENCE COMMITTEE  
ON SENATE FILE 533

To the President of the Senate and the Speaker of the House of Representatives:

We, the undersigned members of the conference committee appointed to resolve the differences between the Senate and the House of Representatives on Senate File 533, a bill for an Act relating to state and local finances by providing for funding of property tax credits and reimbursements, by making and adjusting appropriations, providing for salaries and compensation of state employees, providing for matters relating to tax credits, providing for fees and penalties, providing for legal responsibilities, and providing for properly related matters, and including effective date and retroactive and other applicability provisions, respectfully make the following report:

1. That the Senate amendment, H-1752, to the House amendment, S-3372, to Senate File 533, as amended, passed, and reprinted by the Senate, is amended to read as follows:

1. By striking page 3, line 20, through page 5, line 22.

2. Page 5, line 31, after <regents> by inserting <who receive bonuses funded by moneys from sources other than appropriations>

3. Page 5, after line 39 by inserting:

<Sec. \_\_\_\_ . SALARY INCREASES — CERTAIN REVOLVING FUNDS.

1. For the fiscal years beginning July 1, 2011, and July 1, 2012, there is appropriated from the gaming enforcement revolving fund an amount necessary for funding annual pay adjustments and related benefits for agents and officers of the division of criminal investigation's racetrack, excursion boat, or gambling structure enforcement activities. Moneys appropriated pursuant to this subsection shall be in addition to and supplement other appropriations from the fund.

2. For the fiscal years beginning July 1, 2011, and July

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1, 2012, there is appropriated from the gaming regulatory revolving fund, if enacted by the Eighty-fourth General Assembly, 2011 session, an amount necessary for funding annual pay adjustments and related benefits for positions in the racing and gaming commission of the department of inspections and appeals who are assigned to administration and enforcement of the excursion boat and gambling structure laws. Moneys appropriated pursuant to this subsection shall be in addition to and supplement other appropriations from the fund.>

4. Page 16, after line 41 by inserting:

<DIVISION \_\_\_\_

MH/MR/DD SERVICES ALLOWED GROWTH FUNDING — FY 2013-2014

Sec. \_\_\_\_ . ADULT MH/MR/DD SERVICES ALLOWED GROWTH FUNDING — FY 2013-2014. Notwithstanding section 331.439, subsection 3, the allowed growth factor adjustment for county mental health, mental retardation, and developmental disabilities service expenditures for the fiscal year beginning July 1, 2013, shall be established by statute which shall be enacted within thirty calendar days of the convening of the Eighty-fifth General Assembly, 2013 Session, on January 14, 2013. The governor shall submit to the general assembly a recommendation for such allowed growth factor adjustment and the amounts of related appropriations to the general assembly on or before January 14, 2013.>

5. Page 17, by striking line 41 and inserting:

<..... \$ 5,364,446>

6. Page 17, by striking line 47 and inserting:

<..... \$ 7,060,931>

7. Page 18, by striking lines 3 through 9.

8. Page 18, after line 18 by inserting:

<Sec. \_\_\_\_ . Section 257.35, Code 2011, is amended by adding the following new subsection:

NEW SUBSECTION. 5B. Notwithstanding subsection 1, and in addition to the reduction applicable pursuant to subsection

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2, the state aid for area education agencies and the portion of the combined district cost calculated for these agencies for the fiscal year beginning July 1, 2012, and ending June 30, 2013, shall be reduced by the department of management by ten million dollars. The reduction for each area education agency shall be prorated based on the reduction that the agency received in the fiscal year beginning July 1, 2003.>

9. By striking page 18, line 22, through page 19, line 39.

10. Page 19, line 48, after <regents> by inserting <who receive bonuses funded by moneys from sources other than appropriations>

11. Page 20, after line 6 by inserting:

<Sec. \_\_\_\_ . SALARY INCREASES — CERTAIN REVOLVING FUNDS.

1. For the fiscal years beginning July 1, 2012, and July 1, 2013, there is appropriated from the gaming enforcement revolving fund an amount necessary for funding annual pay adjustments and related benefits for agents and officers of the division of criminal investigation's racetrack, excursion boat, or gambling structure enforcement activities. Moneys appropriated pursuant to this subsection shall be in addition to and supplement other appropriations from the fund.

2. For the fiscal years beginning July 1, 2012, and July 1, 2013, there is appropriated from the gaming regulatory revolving fund, if enacted by the Eighty-fourth General Assembly, 2011 or 2012 session, an amount necessary for funding annual pay adjustments and related benefits for positions in the racing and gaming commission of the department of inspections and appeals who are assigned to administration and enforcement of the excursion boat and gambling structure laws. Moneys appropriated pursuant to this subsection shall be in addition to and supplement other appropriations from the fund.>

12. Page 28, by striking lines 21 and 22 and inserting <land stewardship for the following fiscal years, the following amounts,>

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13. Page 28, by striking line 25 and inserting  
<FY 2011-2012..... \$ 97,000  
FY 2012-2013..... \$ 48,500>

14. Page 29, by striking lines 22 and 23 and inserting  
<authority for the fiscal year beginning July 1, 2011, and  
ending June 30, 2012, the following amount, or>

15. Page 31, before line 4 by inserting:

<Sec. \_\_\_\_ . PRESCHOOL FOUNDATION AID — ADMINISTRATIVE  
COSTS. For the fiscal year beginning July 1, 2011, and ending  
June 30, 2012, of the amount of preschool foundation aid  
received by a school district for a fiscal year, not more  
than five percent shall be used by the school district for  
administering the district’s approved local program.>

16. By striking page 33, line 47, through page 34, line 21.

17. Page 35, by striking lines 14 through 45.

18. Page 36, after line 17 by inserting:

<Sec. \_\_\_\_ . Section 422.11P, subsection 2, paragraph b, Code  
2011, as enacted by 2011 Iowa Acts, Senate File 531, section  
25, is amended to read as follows:

b. The tax credit shall apply to biodiesel blended fuel  
classified as provided in this section, if the classification  
meets the standards provided in section 214A.2. In ensuring  
that biodiesel blended fuel meets the classification  
requirements of this section, the department shall take  
into account reasonable variances due to testing and other  
limitations.>

19. Page 36, line 33, by striking <three> and inserting  
<two>

20. Page 36, line 34, by striking <ten million> and  
inserting <eight million seven hundred fifty thousand>

21. Page 37, by striking lines 37 through 41.

22. Page 38, by striking lines 13 through 15.

23. Page 38, before line 16 by inserting:

<Sec. \_\_\_\_ . REPEAL. Chapter 327K, Code 2011, is repealed.>

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24. Page 38, by striking lines 20 through 44.

25. Page 38, before line 45 by inserting:

<Sec. \_\_\_\_ . EFFECTIVE DATE — RETROACTIVE APPLICABILITY.

1. The section of this division of this Act appropriating moneys to the department of cultural affairs for purposes of a grant for the battleship Iowa, BB-61, being deemed of immediate importance, takes effect upon enactment, and applies retroactively to June 30, 2011.

2. The section of this division of this Act amending section 303.19A, being deemed of immediate importance, takes effect upon enactment, and applies retroactively to March 29, 2011.>

26. Page 39, after line 2 by inserting:

<Sec. \_\_\_\_ . EFFECTIVE DATE — APPLICABILITY.

1. Section 422.11P, as amended by this division of this Act, takes effect on January 1, 2012.

2. Section 422.11P, as amended by this division of this Act, applies to tax years beginning on and after January 1, 2012.>

27. Page 40, line 13, by striking <NEW SECTION. 8.75>

28. Page 40, by striking line 29 and inserting <services agency on January 15, 2012, and July 15, 2012,>

29. Page 40, line 33, by striking <NEW SECTION. 8A.319>

30. Page 40, by striking lines 40 and 41 and inserting <with a report regarding planned purchases and to report regarding>

31. Page 40, by striking line 45 and inserting <services to receive training about>

32. Page 45, line 10, by striking <three> and inserting <two>

33. Page 45, line 25, by striking <three> and inserting <two>

34. By striking page 47, line 17, through page 49, line 23.

35. Page 50, line 15, by striking <538> and inserting <533>

36. Page 50, line 25, by striking <538> and inserting <533>

37. By striking page 50, line 35, through page 72, line 27.

38. Page 72, before line 28 by inserting:

<DIVISION \_\_\_\_  
TEACHER EXPENSES

Sec. \_\_\_\_ . Section 422.7, Code 2011, is amended by adding the following new subsection:

NEW SUBSECTION. 54. A taxpayer is allowed to take the deduction for certain expenses of elementary and secondary school teachers allowed under section 62(a)(2)(D) of the Internal Revenue Code, as amended by the federal Emergency Economic Stabilization Act of 2008, Pub. L. No. 110-343, in computing net income for state tax purposes.

Sec. \_\_\_\_ . REFUNDS. Notwithstanding any provision to the contrary in section 422.25, subsection 3, a taxpayer who files an amended return in the time permitted by statute to claim a refund related to the allowance of the deduction enacted in this division of this Act is only entitled to a refund of the amount paid that is in excess of tax liability. The taxpayer shall not be entitled to interest on such excess.

Sec. \_\_\_\_ . EFFECTIVE DATE AND RETROACTIVE APPLICABILITY. This division of this Act, being deemed of immediate importance, takes effect upon enactment and applies retroactively to January 1, 2008, for tax years beginning on or after that date and before January 1, 2009.

DIVISION \_\_\_\_  
QUALIFIED HIGHER EDUCATION EXPENSES

Sec. \_\_\_\_ . Section 422.7, Code 2011, is amended by adding the following new subsection:

NEW SUBSECTION. 54. A taxpayer is allowed to take the deduction for qualified tuition and related expenses allowed under section 222 of the Internal Revenue Code, as amended by the federal Emergency Economic Stabilization Act of 2008, Pub. L. No. 110-343, in computing net income for state tax purposes.

Sec. \_\_\_\_ . REFUNDS. Notwithstanding any provision to the contrary in section 422.25, subsection 3, a taxpayer who files an amended return in the time permitted by statute to claim a

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refund related to the allowance of the deduction enacted in this division of this Act is only entitled to a refund of the amount paid that is in excess of tax liability. The taxpayer shall not be entitled to interest on such excess.

Sec. \_\_\_\_ . EFFECTIVE DATE AND RETROACTIVE APPLICABILITY. This division of this Act, being deemed of immediate importance, takes effect upon enactment and applies retroactively to January 1, 2008, for tax years beginning on or after that date and before January 1, 2009.

DIVISION \_\_\_\_

SPECIAL FILING PROVISIONS

Sec. \_\_\_\_ . SPECIAL FILING PROVISIONS.

1. Adjustments by individuals to federal adjusted gross income and by corporations to federal taxable income for tax returns filed prior to the enactment of 2011 Iowa Acts, Senate File 512, may be required as a result of the provisions of the divisions of this Act relating to the adjustment provisions enumerated in this subsection. These adjustments are as follows:

a. The increased expensing allowance authorized in section 179(b) of the Internal Revenue Code for tax years beginning on or after January 1, 2010, but before January 1, 2011.

b. The deduction for qualified tuition and related expenses allowed under section 222 of the Internal Revenue Code.

c. The deduction for certain expenses of elementary and secondary school teachers allowed under section 62(a)(2)(D) of the Internal Revenue Code.

2. In lieu of filing an amended tax return, taxpayers may make the adjustments, pursuant to rules adopted by the director of revenue, on the next return filed subsequent to the enactment of 2011 Iowa Acts, Senate File 512. If the taxpayer elects not to file an amended return, these provisions are suspended with regard to the following adjustments otherwise available as a result of this Act.

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a. The limitation based on income provisions and regulations of section 179(b)(3) of the Internal Revenue Code with regard to the section 179(b) adjustment.

b. The applicable dollar limit provisions of section 222(b)(2)(B) of the Internal Revenue Code with regard to the section 222 adjustment.

DIVISION \_\_\_\_

DISASTER-RELATED PERSONAL CASUALTY LOSS DEDUCTIONS

Sec. \_\_\_\_ . Section 422.9, Code 2011, is amended by adding the following new subsection:

NEW SUBSECTION. 9. A taxpayer is allowed to take the deduction for disaster-related casualty losses under section 165(h) of the Internal Revenue Code, as modified by the Heartland Disaster Relief Act of 2008, Pub. L. No. 110-343, in computing net income for state tax purposes.

Sec. \_\_\_\_ . Notwithstanding any provision to the contrary in section 422.25, subsection 3, a taxpayer who files an amended return in the time permitted by statute to claim a refund related to the allowance of the deduction enacted in this division of this Act is only entitled to a refund of the amount paid that is in excess of tax liability. The taxpayer shall not be entitled to interest on such excess.

Sec. \_\_\_\_ . EFFECTIVE DATE AND RETROACTIVE APPLICABILITY. This division of this Act, being deemed of immediate importance, takes effect upon enactment and applies retroactively to January 1, 2008, for tax years beginning on or after that date and before January 1, 2009.

DIVISION \_\_\_\_

CLASS "A" FELONIES — JUVENILES

Sec. \_\_\_\_ . Section 902.1, Code 2011, is amended to read as follows:

**902.1 Class "A" felony.**

1. Upon a plea of guilty, a verdict of guilty, or a special verdict upon which a judgment of conviction of a class "A"

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felony may be rendered, the court shall enter a judgment of conviction and shall commit the defendant into the custody of the director of the Iowa department of corrections for the rest of the defendant's life. Nothing in the Iowa corrections code pertaining to deferred judgment, deferred sentence, suspended sentence, or reconsideration of sentence applies to a class "A" felony, and a person convicted of a class "A" felony shall not be released on parole unless the governor commutes the sentence to a term of years.

2. a. Notwithstanding subsection 1, a person convicted of a class "A" felony, and who was under the age of eighteen at the time the offense was committed shall be eligible for parole after serving a minimum term of confinement of twenty-five years.

b. If a person is paroled pursuant to this subsection the person shall be subject to the same set of procedures set out in chapters 901B, 905, 906, and chapter 908, and rules adopted under those chapters for persons on parole.

c. A person convicted of murder in the first degree in violation of section 707.2 shall not be eligible for parole pursuant to this subsection.

Sec. \_\_\_\_ . EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION \_\_\_\_

CONDITIONAL EFFECTIVE DATES FOR 2011 IOWA ACTS

Sec. \_\_\_\_ . SENATE FILE 508 EFFECTIVE DATE. Unless otherwise provided, if 2011 Iowa Acts, Senate File 508, as enacted, is approved by the governor on or after July 1, 2011, the Act takes effect upon enactment and applies retroactively to July 1, 2011.

Sec. \_\_\_\_ . SENATE FILE 511 EFFECTIVE DATE. Unless otherwise provided, if 2011 Iowa Acts, Senate File 511, as enacted, is approved by the governor on or after July 1, 2011, the Act

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takes effect upon enactment and applies retroactively to July 1, 2011.

Sec. \_\_\_\_\_. SENATE FILE 525 EFFECTIVE DATE. Unless otherwise provided, if 2011 Iowa Acts, Senate File 525, as enacted, is approved by the governor on or after July 1, 2011, the Act takes effect upon enactment and applies retroactively to June 30, 2011.

Sec. \_\_\_\_\_. HOUSE FILE 148 EFFECTIVE DATE. Unless otherwise provided, if 2011 Iowa Acts, House File 148, as enacted, is approved by the governor on or after July 1, 2011, the Act takes effect upon enactment and applies retroactively to June 30, 2011.

Sec. \_\_\_\_\_. EFFECTIVE UPON ENACTMENT AND APPLICABILITY. This division of this Act, being deemed of immediate importance, takes effect upon enactment and applies as provided by this division of this Act.

DIVISION \_\_\_\_

HOUSING DEVELOPMENT — TAX STATUS

Sec. \_\_\_\_\_. Section 405.1, Code 2011, is amended to read as follows:

**405.1 Housing development — tax status — limitation.**

1. a. The board of supervisors of a county ~~with a population of less than twenty thousand~~ may adopt an ordinance providing that property acquired and subdivided for development of housing on or after January 1, 2011, shall continue to be assessed for taxation in the manner that it was prior to the acquisition for housing. Each lot shall continue to be taxed in the manner it was prior to its acquisition for housing until the lot is sold for construction or occupancy of housing or five years from the date of subdivision, whichever is shorter. Upon the sale or the expiration of the five-year period, the property shall be assessed for taxation as residential or commercial multifamily property, whichever is applicable.

b. Ordinances adopted under this section, to the extent

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such ordinances affect the assessment of property subdivided for development of housing on or after January 1, 2004, but before January 1, 2011, shall remain in effect or otherwise be made effective and such ordinances adopted under section 405.1, subsection 1, Code 2011, shall be extended to apply the ordinances to the period of time ending ten years from the date of subdivision, and ordinances adopted under section 405.1, subsection 2, Code 2011, shall be extended to apply the ordinances to the period of time ending eight years from the date of subdivision.

~~2. The board of supervisors of a county with a population of twenty thousand or more may adopt an ordinance providing that property acquired and subdivided for development of housing shall continue to be assessed for taxation in the manner that it was prior to the acquisition for housing. Each lot shall continue to be taxed in the manner it was prior to its acquisition for housing until the lot is sold for construction or occupancy of housing or three years from the date of subdivision, whichever is shorter. Upon the sale or the expiration of the three-year period, the property shall be assessed for taxation as residential or commercial multifamily property, whichever is applicable. On or after the effective date of this division of this Act, the board of supervisors of a county may amend an ordinance adopted or otherwise made effective under subsection 1 to extend the period of time established under subsection 1 to apply the ordinance to a period of time not to exceed five years beyond the end of the period of time established under subsection 1. An extension of an ordinance under this subsection may apply to all or a portion of the property that was subject to the original ordinance.~~

3. A city council may adopt an ordinance affecting that portion of the applicable property located within the incorporated area of the city, effectuating an extension of

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a county ordinance otherwise eligible to be extended under subsection 2 and not previously extended by the board of supervisors. An ordinance by a city council providing for an extension under this subsection shall be subject to the limitations of subsection 2.

Sec. \_\_\_\_ . Section 441.72, Code 2011, is amended to read as follows:

**441.72 Assessment of platted lots.**

1. ~~When~~ Except as provided in subsection 2, when a subdivision plat is recorded pursuant to chapter 354, the individual lots within the subdivision plat shall not be assessed in excess of the total assessment of the land as acreage or unimproved property for three five years after the recording of the plat or until the lot is actually improved with permanent construction, whichever occurs first. When an individual lot has been improved with permanent construction, the lot shall be assessed for taxation purposes as provided in chapter 428 and this chapter.

2. For subdivision plats recorded pursuant to chapter 354 on or after January 1, 2004, but before January 1, 2011, the individual lots within the subdivision plat shall not be assessed in excess of the total assessment of the land as acreage or unimproved property for eight years after the recording of the plat or until the lot is actually improved with permanent construction, whichever occurs first. When an individual lot has been improved with permanent construction, the lot shall be assessed for taxation purposes as provided in chapter 428 and this chapter.

3. This section does not apply to special assessment levies.

Sec. \_\_\_\_ . IMPLEMENTATION. Nothing in this division of this Act shall be construed to require the refund or modification of property taxes that are attributable to assessment years beginning before January 1, 2012 or the adjustment of property assessments for assessment years beginning before January 1,

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2012.

Sec. \_\_\_\_ . EFFECTIVE UPON ENACTMENT AND APPLICABILITY. This division of this Act, being deemed of immediate importance, takes effect upon enactment and applies to assessment years beginning on or after January 1, 2012.>

39. By renumbering as necessary.

ON THE PART OF THE SENATE:

ON THE PART OF THE HOUSE:

\_\_\_\_\_  
ROBERT E. DVORSKY, CHAIRPERSON

\_\_\_\_\_  
J. SCOTT RAECKER, CHAIRPERSON

\_\_\_\_\_  
JEFF DANIELSON

\_\_\_\_\_  
JEFF KAUFMANN

\_\_\_\_\_  
PAM JOCHUM

\_\_\_\_\_  
NICK WAGNER